

Message Text

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17 11

ACTION COME-00

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 ISO-00 AID-20

CIAE-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01

NSC-10 SS-20 STR-08 CEA-02 AGR-20 FAA-00 IO-14 DRC-01

/224 W

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R 230800Z NOV 73

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 5622

INFO AMEMBASSY THE HAGUE

AMEMBASSY BOGOTA

AMEMBASSY CANBERRA

AMEMBASSY TEHRAN

UNCLAS KINSHASA 10053

E.O. 11652: N/A

TAGS: BEXP, CO, AS, IR, NL, CG

SUBJECT: COUNTRY COMMERCIAL PROGRAM QUARTERLY EVALUATION

REF: STATE 212100

1. EMBASSY'S REPLIES FOLLOW IN ORDER QUESTIONS
POSED IN REFERENCED INSTRUCTION, EXCEPT AS BACKDROP,
MESSAGE BEGINS WITH REPLY TO MANPOWER QUESTION.

2. MANPOWER: POST MANPOWER TO IMPLEMENT CCP
OBJECTIVES CONTINUES TO REMAIN TOTALLY AND CRITICALLY
INADEQUATE (SEE KINSHASA 9315). POST'S E/C SECTION WAS REDUCE FROM
FIVE TO FOUR OFFICERS IN JUNE 1972. POSITION E/C COUNSELOR,
VACANT FOR A YEAR, HAS BEEN FILLED OCTOBER 15 WITH
KRASON'S ARRIVAL. COMMERCIAL ATTACHE LAWRENCE
DEPARTED NOVEMBER 18 FOR FIVE WEEKS WELL-DESERVED
LEAVE. TWO OF FOUR FSO'S, BOTH AT FSO-7 LEVEL, ARE
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SERVING AT THEIR FIRST POST.

MISS COOPER, WHO DEVOTES ALL HER TIME TO THE CERP REPORTING REQUIREMENTS AND TO ECONOMIC REPORTING, HERE SINCE FEBRUARY 14 AND KELLER, ASSISTANT COMMERCIAL ATTACHE, AT POST SINCE AUGUST 14. TWO FSL'S REQUIRE CONSIDERABLE GUIDANCE AND FURTHER ON-THE-JOB TRAINING TO COPE WITH CCP TYPE PROGRAM.

3. COORDINATION: NO COORDINATION AMONG VARIOUS MISSION ELEMENTS AS YET INSTITUTED SINCE CCP BASE OF OPERATIONS NONEXISTENT. USAID, AGRATTACHE, USIA, AND ZAMISH ARE COOPERATING WITH EMBASSY ON AD HOC BASIS WITH A VIEW TO ASSISTING IN PROMOTION OF ADDITIONAL SALES OF US GOODS AND SERVICES TO ZAIRE. WHEN CCP BASE IS ESTABLISHED, AND STAFF IS BROUGHT UP TO FULL STRENGTH, WE ENVISAGE NO PROBLEMS AND WE INTEND TO COORDINATE, IN ADDITION TO ABOVE-MENTIONED ELEMENTS, WITH OTHERS TO INCLUDE THE THREE CONSULATES, FAA, ETC.

4. TARGETS AND PRIORITIES: DOMESTIC ECONOMIC SITUATION CONTINUES TO SHOW RAPID IMPROVEMENT WITH COUNTRY EXPECTED IN 1973 TO EARN POSSIBLY 35 PERCENT MORE FOREIGN EXCHANGE FROM HIGHER PRICED COPPER EXPORTS THAN LAST YEAR. TWO DAYS OF CONSULTATIVE GROUP MEETINGS IN KINSHASA NOV 13 & 14 UNDER IBRD AUSPICES DEMONSTRATE GOZ INTENTIONS TO EMBARK ON AMBITIOUS AND VIABLE PROGRAMS DESIGNED TO DEVELOP ECONOMY INCLUDING INFRASTRUCTURE, TRANSPORT, AND AGRICULTURE OVER SHORT AND LONG TERM. PROGRAMS TO COST ON ORDER \$2.8 BILLION THROUGH 1980 WITH 40 PERCENT FINANCING BY GOZ AND 60 PERCENT FROM EXTERNAL SOURCES. DONOR COUNTRIES AND WORLD BANK TO MAKE ADDITIONAL FUNDS AVAILABLE TO FINANCE SUCH PROGRAMS. IN ORDER TO DEVELOP COUNTRY'S INTERIOR AND ESTABLISH THIRD INDUSTRIAL POLE AT KISANGANI (OTHER TWO ARE KINSHASA AND LUBUMBASHI), GOZ EXAMINING FEASIBILITY MODIFYING INVESTMENT CODE TO ATTRACT INCREASED FOREIGN INVESTMENT. IMMINENT APPROVAL LOANS TO FINANCE 1130 MILE TRANSMISSION LINE INGA-SHABA PROMISES SUBSTANTIAL US EARNINGS ON EXPORTS AND SERVICES. BECUASE OF UNCLASSIFIED

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IMPROVED US COMPETITIVE POSITION, WE ARE HOPEFUL TO OBTAIN INCREASED SHARE OF BUSINESS DERIVING FROM WORLD BANK AND GOZ FINANCING. PROSPECTS, THEREFORE, FOR ATTAINMENT ALL SIX CCP GOALS ARE VALID AND JUSTIFIED. SUTHESE GOALS, HOWEVER, WILL BE DIFFICULT TO ACHIEVE WITHOUT ADEQUATE AND EXPERIENCED MANPOWER AND FUND RESOURCES.

5. DATE BASE: WITH PERSISTING CRITICAL STAFF SHORTAGES, WE ARE SPREAD PAPER THIN AND WE ARE CONCENTRATING OUR EFFORTS ON IMMEDIATE AND VITAL BREAD AND BUTTER ITEMS. COMMERCIAL SECTION HAS BEEN DEVOTING ALMOST ENTIRE TIME TO COPING WITH BACKLOGS DERIVING FROM KINSHASA INTERNATIONAL TRADE FAIR IN JULY, VISITS OF THREE TRADE MISSIONS BETWEEN AUGUST AND OCTOBER, ETC. AMBASSADOR (WHO HAS BEEN DEVOTING 70 PERCENT HIS TIME TO E/C WORK), THE E/C COUNSELOR AND COMATT HAVE BEEN PREOCCUPIED WITH PUSHING "BIG TICKET" ITEMS, ASSISTING US BUSINESS WITH SALES AND INVESTMENT, AND NEGOTIATING WITH GOZ OFFICIALS ON BEHALF OF US BUSINESS INTERESTS.

6. EVALUATION: FOR REASONS MENTIONED ABOVE NO MACHINERY HAS YET BEEN ESTABLISHED TO EVALUATE CCP PERFORMANCE. PROGRESS IN COMMERCIAL AND INVESTMENT ACTIVITIES IS OF DIRECT AND CONTINUING INTEREST TO THE AMBASSADOR, DCM AND HIS SENIOR E/C STAFF.

7. FY 74 AND 75 CCP: WE BELIEVE NEW FACTORS EMERGING FROM RECENT CG MEETINGS IN KINSHASA MIGHT WARRANT CHANGE EMPHASIS IN FY 75 CCP CONTENT AND FORMAT, WITH GREATER STRESS ON SEEKING ADDITIONAL BUSINESS FROM "BIG TICKET" ITEMS, AND ON NEED TO ENCOURAGE US PRIVATE INVESTOR (BECAUSE OF ECOLOGICAL, ENVIRONMENTAL AND ENERGY CONSIDERATIONS AND IMPROVED INVESTMENT CLIMATE), TO CONSIDER THE ERECTION OF INDUSTRIAL PLANTS PARTICULARLY FACILITIES REQUIRING AN ABUNDANCE OF CHEAP HYDROELECTRICAL ENERGY AVAILABLE IN THE BAS ZAIRE.

8. COMMENT: BEFORE THE CCP WAS ESTABLISHED
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EMBASSY WAS PROMISED ADEQUATE FUND RESOURCES AND STAFFING, AND, IF NECESSARY, TDY PERSONNEL WOULD BE PROVIDED. WE ARE FIVE MONTHS INTO THE PROGRAM AND HAVE BEEN OPERATING WITH A TRUNCATED AND INEXPERIENCED STAFF. EVEN IF THE AUTHORIZED NEW OFFICER POSITION IS FILLED BY JANUARY 1974, WE WOULD IN ADDITION REQUIRE THE IMMEDIATE ASSIGNMENT OF TDY OF AN OFFICER SEASONED AND EXPERIENCED IN COMMERCIAL WORK FOR ABOUT FOUR MONTHS TO HELP ESTABLISH BASES FOR MEASURING PERFORMANCE AGAINST QUANTIFIED GOALS AND TO ASSIST IN THE OVERALL IMPLEMENTATION OF THE PROGRAM.
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